

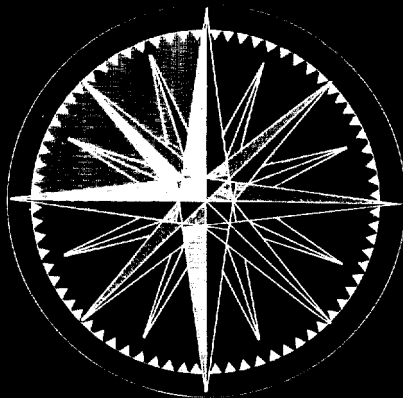
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WEEKLY SUMMARY

State Dept. review completed

CENTRAL INTELLIGENCE AGENCY DIRECTORATE OF INTELLIGENCE

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(Information as of noon EDT, 8 September 1966)

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Government officials are relatively confident of a satisfactory voter turnout in the constitutional assembly elections despite disruptive efforts by the Viet Cong [redacted] In recent days allied military operations have made little significant contact with the Viet Cong, whose guerrillas continue harassing actions against US bases. North Vietnamese Army activity in the Quang Tri Province area suggests preparations for future large-scale operations.	25X1
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EASTERN EUROPEAN - CHINESE RELATIONS COOL	7
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Deputy Foreign Minister Winiewicz has expressed hope for improved US-Polish relations. His optimism stems, in part, from a belief that proponents of better relations will gain ascendancy over party hard liners.

TITO OUTLINES PLANS FOR PARTY REORGANIZATION

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Yugoslavia's Tito has proposed a rejuvenation of the Communist Party. He has called for a new party decision-making organ to tighten party control and lead the country's transformation into a "self-managed" political and economic system.

Middle East - Africa

SOUTH AFRICA SEEKS SUCCESSOR TO VERWOERD

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The governing National Party will continue its white supremacy policy but a successor may show less subtlety in implementing it.

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NEW UNREST IN DAHOMEY

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Austerity measures proposed for Dahomey when France threatened to cut off aid have stirred agitation against President Soglo's regime.

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The foreign minister is going to Brussels to open discussions looking toward a rapprochement, and President Mobutu is trying to meet the grievances of the Katangan mutineers in Kisangani (Stanleyville).

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Far East

VIETNAM

With South Vietnam's election for a constitutional assembly only two days away, government officials are displaying relative confidence in a satisfactory voter turnout despite disruptive efforts by the Viet Cong [redacted]

The US Embassy has reported that public interest in the election is increasing, with the government's election propaganda effort now at its peak. Popular awareness of the issues involved remains spotty, however, and expectations of what the people will gain from the election vary widely. The campaign itself has been characterized mainly by informal electioneering, with sparse attendance at formal campaign functions.

The government has announced that about 5,300,000 persons have been registered to vote, nearly a 13-percent increase over the total for last year's local elections. On 7 September, Premier Ky told newsmen that a turnout of 60 to 70 percent of the registrees on election day would be a satisfactory performance.

Meanwhile, the extensive anti-election propaganda effort by the Viet Cong is continuing. Incidents of terrorism and sabotage remain scattered thus far, however, and some government officials believe that the general level of such activity will continue to be manageable.

[redacted]

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Military Developments in
South Vietnam

Military activity throughout South Vietnam remained light during the past week as allied operations seeking out Communist forces made little significant contact.

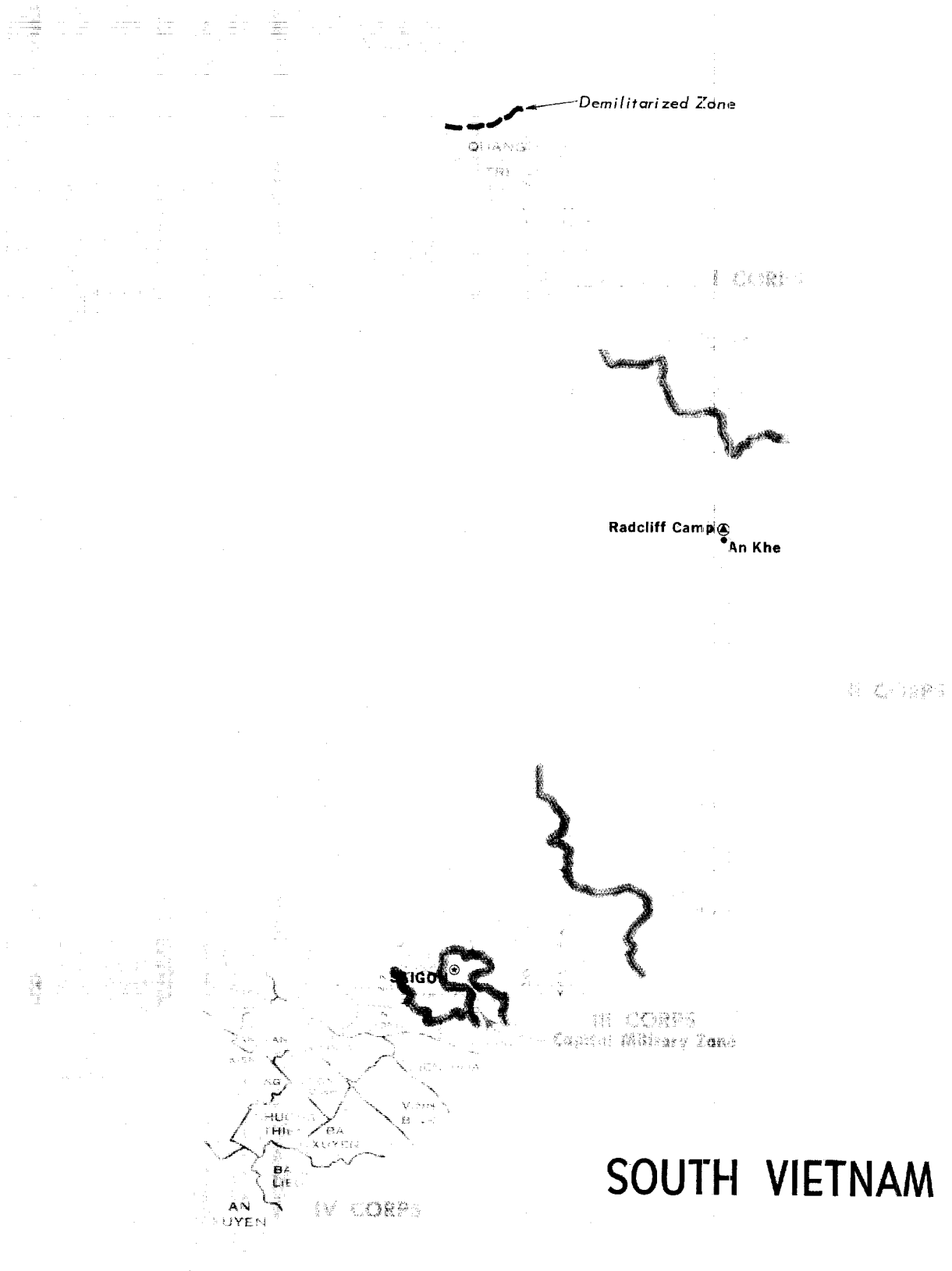
In a further effort to harass and pin down allied forces in their base areas, Viet Cong guerrillas fired about 40 mortar rounds against the US 1st Air Cavalry Division's Camp Radcliffe near An Khe in the central highlands on 3 September. Four Americans were killed and 61 wounded during the 20-minute attack. A total of five helicopters were destroyed and 72 damaged.

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North Vietnamese Army activities in the Demilitarized Zone

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(DMZ) - Quang Tri Province area continue to suggest preparations for future large-scale operations. Logistics activity in the DMZ continues without abatement and daily allied air strikes north of the DMZ have been producing secondary explosions and fires. Information obtained from a recently captured prisoner supports previous indications that the enemy's mission is to "liberate" Quang Tri Province.

North Vietnam Political Developments

The anniversary of North Vietnam's 21st national day on 2 September provided the forum for the Hanoi leadership to reassert its belief in an ultimate Communist victory in Vietnam. Delivering the major address at a rally marking the occasion, Premier Pham Van Dong reiterated Hanoi's determination to continue the war and called upon the Vietnamese people to practice "to the highest degree" economy in production, fighting, consumption, manpower, and material "so as to have abundant reserves for protracted fighting." He condemned US offers of negotiations and termed them a "shameless trick that can surely deceive nobody."

The same note of determination was also present in Hanoi's denun-

ciation of US statements about the timing of the withdrawal of forces by both sides prior to a settlement of the war. A 6 September broadcast by Hanoi radio asserted that the only foreign forces in Vietnam were those of the US and its "satellites" and therefore the only question was the one of their withdrawal. To bolster this argument, the broadcast pointed to those elements in French President de Gaulle's 1 September statement on Vietnam which were critical of the US position there.

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PEKING BLOWS HOT AND COLD ON FOREIGN POLICY

Chinese Foreign Minister Chen Yi's remarks to Japanese Diet members on 6 September concerning relations between China and the US were more moderate and reasonable than anything that has come out of Peking since Chou En-lai switched to more conciliatory tactics in foreign policy at Bandung in 1955.

According to Japanese press reports of the interview, Chen said the Chinese do not expect a war with the US in the near future, do not wish to provoke one, and do not believe that Sino-US tensions would continue "forever." These statements impressed the Japanese as an indication of possible "softening" in the Chinese position.

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Chen's remarks concerning Vietnam, however, reveal no change in Peking's intransigent stand even though they were not couched in the usual abusive language. Although he was quoted as saying that settlement of questions through talks is China's "basic policy," Chen said that the Vietnam problem could only be settled by the Vietnamese themselves and declared that negotiations were "impossible" until US forces were withdrawn. This has long been a key point in Peking's position on the question.

Peking's decision to release the text of Ambassador Wang Kuo-chuan's statement at the Warsaw meeting on 7 September puts the Chen Yi statements in perspective. The unprecedented move was probably intended, at least in part, to nip in the bud any speculation that the

Chen interview signaled a shift in Chinese policy with regard to Vietnam.

Wang attacked the "US peace talks swindle" and belabored the Soviet Union for alleged collaboration with the US. He reiterated Peking's adamant opposition to negotiations on Vietnam and asserted once again that China--"the great rear area"--would support Hanoi's struggle against the US to the end.

Although the two statements appear contradictory, they are probably part of a coordinated plan. It is likely that Chen's remarks, presented in a long-run context, were intended mainly to counteract fears aroused in Japan and elsewhere by bellicose Red Guard statements. [REDACTED]

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PEKING CURBS RED GUARDS

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The violence and disorder created in major Chinese cities by mobs of Red Guard teen-agers appear to have subsided. Since 31 August, the Peking press has repeatedly told them to use reason, not force, in dealing with "bourgeois" suspects, and by 6 September, according to a foreign press correspondent in Peking, gangs were no longer roaming the streets looking for victims.

The regime is not relying on exhortations alone to curb the zealous teen-age activists. On 7 September an editorial in the People's Daily indicated that Red Guards and "revolutionary" students and teachers are to be dispersed to the countryside to help with the autumn harvest.

The editorial, which signaled a calmer phase in the "cultural revolution" campaign, reflected concern over the disruptive effects of the drive on the economy. It ordered those in charge of the drive not to interfere with industrial or agricultural production and instructed

factory managers and workers to devote their energies mainly to production tasks. The editorial recommended that the "four clearances" campaign--the rural counterpart of the "cultural revolution" drive--be suspended during the busy farming season ahead. The editorial said that economic officials should emphasize maintenance of high-quality standards, a sign that no crash work programs are envisioned.

Peking is also displaying sensitivity to the impact Red Guard extremism has had outside China. On 6 September Foreign Minister Chen Yi assured a group of visiting Japanese Diet members that the domestic violence of recent weeks would not spill over into official policy. Chen said the activities of the Guards were "correct" but added that not every demand made by them would be accepted by the government. He stated specifically that Peking's foreign policy would not be changed by the "cultural revolution." [REDACTED]

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Europe

EASTERN EUROPEAN - CHINESE RELATIONS COOL

The Eastern European follow-up to Moscow's 31 August denunciation of China's "cultural revolution" indicates a further deterioration in the already poor relations between Peking and most of the countries of that area.

The most dramatic development was the East German decision to force the closing of the Chinese exhibit at the Leipzig Fair on opening day, 4 September.

The closure, brought about by Chinese insistence on displaying provocative literature, marks a change in Pankow's efforts to maintain good relations with Peking. The new East German attitude was forecast on 30 August when Pankow published a protest complaining of the recent alleged manhandling of two East German military attachés in Peking by Red Guards. Hitherto, Pankow has not normally published such protests. In addition, the party central committee put itself on record on 4 September condemning Chinese policies, noting in passing that Chinese "attacks against the great German composers Bach and Beethoven" were not consistent with Marxism.

Other Eastern European countries have also condemned China. The Bulgarian party on 1 September accused the Chinese of persisting in "erroneous and harm-

ful" policies, and charged that the "cultural revolution" discredits Communism in the eyes of the rest of the world. An editorial in the Hungarian party paper on 4 September also asserted that the violence of the Red Guards was pure brutality rather than "vigilance against bourgeois and revisionist influences."

Czech party boss Novotny told military academy graduates on 3 September that the "cultural revolution" was an effort to incite hatred of the USSR. The US Embassy in Prague reports that Czech papers are now attacking the Chinese "cultural revolution" and Red Guard excesses with an intensity matched only by their anti-US statements on Vietnam.

Poland and Rumania, in contrast, are holding fire. The Polish leadership has so far refrained from any formal condemnation, although the press has published accounts, some of them tongue-in-cheek, of Chinese developments. The press in Rumania has been devoid of reports on current Chinese affairs--consistent with Bucharest's "neutrality" on the Sino-Soviet dispute--but Rumanian officials, according to the US Embassy, are fully conversant with recent developments.

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POLES SEEK TO COUNTER DOWNTURN IN US-POLISH RELATIONS

Polish Deputy Foreign Minister Winiewicz has recently expressed hope for improvement in US-Polish relations. This positive attitude has been shared by other officials in the Polish regime who have sought to counter the deterioration in relations which set in early last year. Winiewicz' optimism about the future of relations with the US appears to proceed from a re-evaluation of the chances for a peaceful settlement in Vietnam, and from a belief that Polish proponents of better relations will gain ascendancy over party hard liners.

In an unusually friendly and frank conversation with US Ambassador Gronouski on 1 September, Winiewicz strongly emphasized the Foreign Ministry's interest in US friendship, pledged Polish cooperation in seeking ways to solve outstanding problems, and stressed the importance--while acknowledging the difficulties--of US initiatives to improve relations with Poland and Eastern Europe in general. His statements on current developments in Southeast Asia, including his opinion that the Vietnam war would end in 1967, were in Gronouski's opinion authorized. Although Winiewicz gave no substantive reasons for holding this view, he added that thereafter US-Polish relations would make "great progress."

Winiewicz also expressed specific positions on a variety of subjects which have hitherto been treated by Polish officials in a vague and guarded manner. This

contrasts sharply with the regime's cool public attitude during the past 18 months toward Washington and with its indecisive or adverse reactions to US initiatives since last January. Warsaw has cited the war in Vietnam as the reason for this deterioration, but relations have also suffered because of disputes within the leadership.

During the past nine months, party hard liners, particularly in the security services, have successfully used Vietnam as a pretext to disrupt relations with Washington, and have tried to influence party leader Gomulka to stall US efforts at improvement. Gomulka's reluctance or inability to resolve these policy differences has resulted in vacillation and indecision.

Winiewicz' optimism over future relations and his dissociation of the Foreign Ministry's policy makers from the hard liners, indicates that the proponents of better relations with the US may be hoping to break the domestic stalemate. Winiewicz frankly conceded the hard liners' political power, but he expressed hope that by working with them "we can eventually convince them." In expressing this view, he appeared to be acting as spokesman for officials in the diplomatic, foreign trade, and cultural areas who have consistently shown frustration and embarrassment over their inability to counter the deterioration in Polish-US relations.

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TITO OUTLINES PLANS FOR PARTY REORGANIZATION

President Tito of Yugoslavia has proposed to rejuvenate the Communist Party by creating new organizational forms and expelling thousands of apathetic members. In a speech on 1 September he indicated that the party has become lax in ideological matters and insisted that its role in the Yugoslav system must be further defined and its supremacy re-established.

Announcing that a plenum will soon be held to discuss party reorganization, Tito called for the creation of a new party organ, the presidium. Larger than the present executive committee of 14 members (Yugoslavia's politburo), this new body would make policy decisions to be implemented by the executive committee. At present the executive committee combines

both the policy-making and executive functions. A vital part of the proposal would further divide responsibility within the executive committee and absolutely enjoin its members from holding other positions in either the government or the party.

Tito apparently hopes this reform will tighten control over the party nationally, and give the party the strength and will to lead the country's transformation into a "self-managed" political and economic system. Tito probably also hopes that close party leadership of the liberalization process now taking place will effectively counter the influence of ideologically radical groups such as those which support the highly critical liberal journal, Praxis.

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Middle East - Africa

SOUTH AFRICA SEEKS SUCCESSOR TO VERWOERD

South Africa's governing National Party will continue its racist policy with widespread white support following the assassination of Prime Minister Verwoerd this week. A new prime minister, depending partly on whom the party chooses, may be less subtle than Verwoerd was in implementing that policy.

The overwhelming majority of both Afrikaner and English-speaking whites support absolute white domination in South Africa. Almost all of them also accept the stringent security laws designed to maintain white rule but which severely limit white dissent. Verwoerd made a major contribution to this white consensus in two ways. On the one hand, he projected a "strong man" image to those whites who have no moral reservations about apartheid. On the other, he articulated a theoretically moral justification for separate racial development for many of those who want one.

It remains to be seen if any of the likely successors as prime minister can develop Verwoerd's double image as a man of firmness

and a theoretician. Minister of Justice Vorster, widely considered the leading candidate, has the firmness, but he has shown little ability to articulate moral rationalizations for apartheid. Schoeman (minister of transport) and de Klerk (minister of education, arts and sciences, and information) appear similarly limited. Minister of Finance Dinges has the intellect required, but his very intellectualism and Cape Province origins may make his firmness suspect among the more militant Transvaal Afrikaners and so rule him out.

Subtlety in the pursuit of basic objectives will also be significant in any new prime minister's approach to foreign relations. Verwoerd had begun to show considerable diplomatic sophistication and flexibility in exerting his country's influence with certain southern African governments and in his support of the rebel white Rhodesian regime. None of his likely successors has had extensive experience in foreign affairs, and some of them have taken a more rigid stance on foreign policy questions.

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NEW UNREST IN DAHOMEY

President Soglo's efforts to impose austerity measures have stirred up new agitation in Dahomey.

Dahomey's political instability and economic nonviability are chronic, and successive re-

gimes have been propped up by extensive French aid. However, Paris now insists that budgetary aid will stop unless Dahomey makes serious efforts to reduce its deficit. A study mission of the International Monetary Fund is currently in the country, presumably

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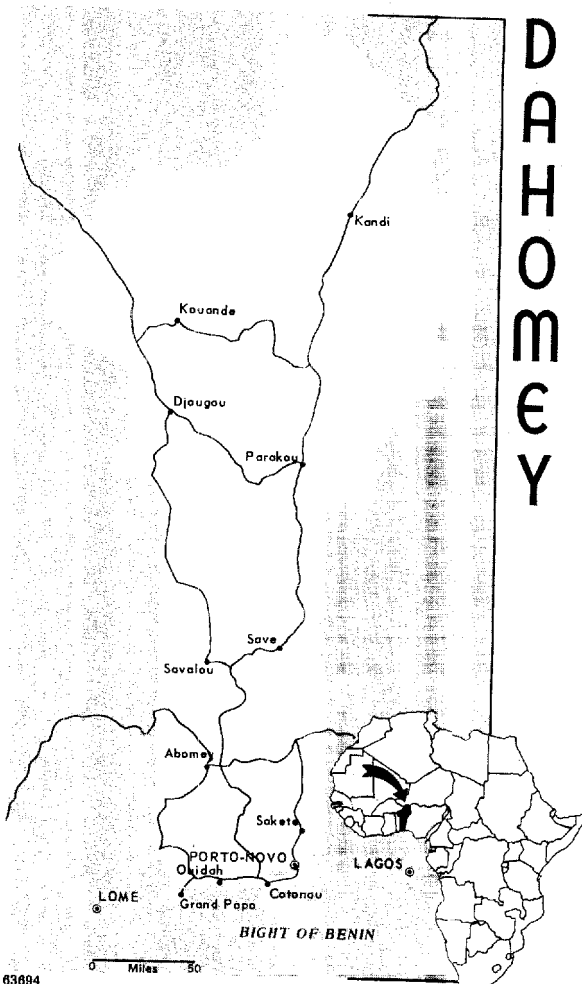
advocating greater fiscal responsibility.

On 12 August the government announced civil service salary cuts, reductions in family allowances, and new commercial taxes. Together, these measures would affect the entire urban population and virtually all politi-

cally aware Dahomeans. Public resentment at that time was so strong that the government agreed to establish a committee to study the issue and report back in September. Agitation has continued in the meantime, and on 29 August police headed off an incipient riot. A prominent labor leader, the head of the market women's association, an important army officer, and the former parliamentary majority leader have been arrested. All four were close to the regime of former premier Ahomadegbe, which Soglo's military revolt toppled last year.

In spite of a ban on organized political activity, maneuvering is proceeding. No opposition leader has definitely emerged, but there are indications that Foreign Minister Zinsou and Army Chief of Staff Alley are trying to improve their chances of eventually leading the country.

The US Embassy believes Soglo still has enough support to ride out this crisis. For the moment, the key question is whether the army, whose ranks are hard hit by the proposed cut in family allowances, will continue to support the regime. In any case, Soglo's prestige will be weakened regardless of whether he backs down in the face of pressure or forces through the manifestly unpopular austerity measures.



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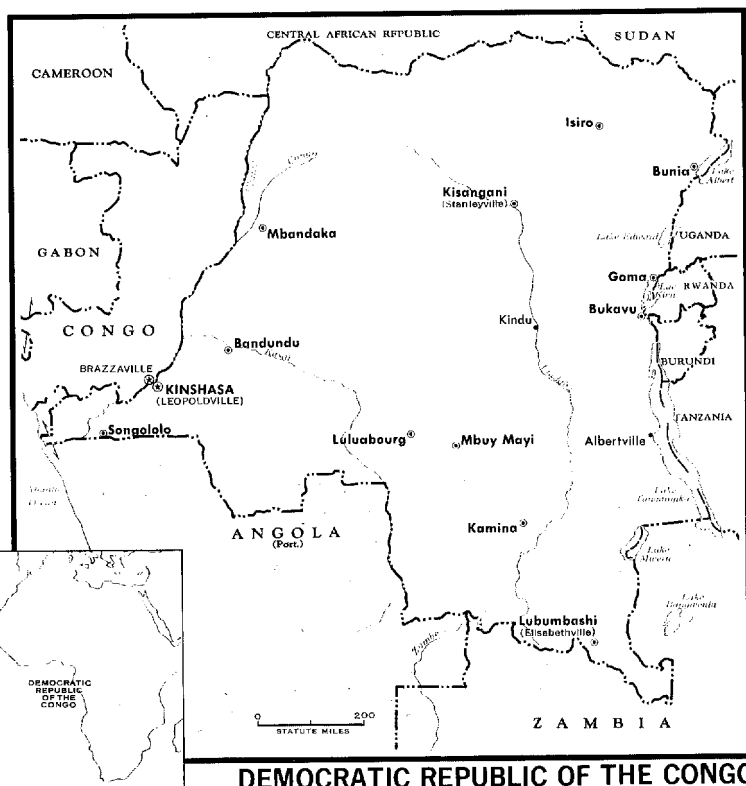
CONGO'S PRESIDENT ATTACKS FOREIGN AND DOMESTIC PROBLEMS

President Mobutu of the Congo (Kinshasa) is sending Foreign Minister Bomboko to Brussels this week to open discussions looking toward a rapprochement. He has also taken steps which are likely to bring Katangan mutineers in Kisangani (Stanleyville) under at least nominal government control.

Bomboko plans to meet with Foreign Minister Harmel and other Belgians. Although it is not clear which issues the Congolese will be willing to discuss, this is the first indication since June that they are ready to cease their economic and political brinkmanship and take a conciliatory approach on their many disputes with the Belgians.

Although both sides appear relatively conciliatory, agreement will be difficult on three particularly touchy issues. Brussels is under considerable domestic pressure to reduce the level of its assistance programs, which are crucial for the Congo's viability. Mobutu has created a new tangle of complex economic problems out of old agreements in an effort to prove the Congo's "economic independence." Finally, the Belgians suspect that the Congolese cabinet member recently designated as "resident minister" in Brussels was responsible in the past for brutal treatment of Belgians in the Congo.

The situation in Kisangani may be eased by a new order, pos-



sibly backed by a large sum of money, from Mobutu. The President has ordered troops there to resume their positions in remote areas of the surrounding province. He softened this, however, by promising those Katangans who wish to return home that after 1 December they will be demobilized, receive air transport, and also that they will be free from reprisals. It is not clear whether the Katangans will accept this offer, but Mobutu has apparently met enough of their demands that they may accept it as a way out of a difficult situation.

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Western Hemisphere

DOMINICAN PRESIDENT BEGINS MILITARY CHANGES

President Joaquin Balaguer's military reorganization plan designed to reduce the power of potential dissidents in the armed forces is finally under way with the shift of part of General Wessin's former command to other army units. Balaguer's timetable calls for important additional changes before final departure of the Inter-American Peace Force two weeks from now. The military are generally aware of his intentions and so far they have not publicly opposed his plans.

Balaguer has endorsed a US program of gradual military reform, aimed at professionalization, cost reduction, and increased effectiveness. His main interest in advancing military changes, however, is political. Along with other changes, Balaguer wants to break up Wessin's old unit and retire or reassign officers believed to be still loyal to their former commander. Wessin's appointment on 5 September to a sinecure on the Dominican UN delegation may be designed to make his former subordinates amenable to reassignment. In planning his moves, Balaguer has the support of some regular army officers who remain jealous of the elite status of Wessin's old command.

The claim of a senior army colonel that he was under consideration for the post of minister of defense gives some credibility to rumors circulating in early August that Balaguer was considering a replacement for the competent General Perez. Although there has been no firm indication that Balaguer is dissatisfied with Perez, the minister of defense is not known to be an old-line Balaguer loyalist and he has some enemies within the military.

One danger in leadership changes is that they could lead to a resurgence of military elements associated with the Trujillo era who have long been pro-Balaguer but who would probably only pay lip service to badly needed military reforms. One such officer, Colonel Nivar, apparently remains influential as a presidential adviser.

Although no firm reaction to Balaguer's plans for military changes has been reported, there is no reason to believe that rumored plots are beyond the talking state. Nevertheless, Balaguer must move cautiously to avoid provoking open dissension within the armed forces and a right-wing move against his regime.

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BRAZILIAN CONSERVATIVE CALLS FOR OVERTHROW OF GOVERNMENT

Conservative Carlos Lacerda has called for the overthrow of the Castello Branco government, by force if necessary. The boisterous Lacerda, who as governor of the State of Guanabara was one of the leaders of the 1964 revolution which ousted leftist President Goulart, has become an increasingly violent critic of the Castello Branco administration.

Lacerda's latest and most critical blast came in an article published in the magazine Visao on 31 August. The article, appealing to Brazilian nationalism, charges that the regime has become subservient to the US and has turned vital decisions over to "American advisers, the CIA, and the International Monetary Fund." Lacerda calls for the opposition to unite and to use all methods, even an "appeal to arms," to replace the regime. His proposals to end the so-called usurpation and betrayal of the revolution call for a return to free elections, changes in economic and foreign policies, reforms in agriculture and in the armed forces, and a "dismounting" of the political and economic oligarchies.

The article is part of Lacerda's campaign to provoke a political crisis by forcing the government to make a martyr of him.

In the past, President Castello Branco has ignored Lacerda's outbursts, and the government has so far made no attempt to muzzle him.

Leaders of the government's badly fragmented opposition have been quick to dissociate themselves from his latest attack. They do not wish to be branded subversive nor to provoke government cancellation of the direct congressional elections scheduled for November. Many see Lacerda's mouthings as an attempt to prove his qualifications for uniting the government's growing number of critics.

Although public dissatisfaction with the regime is widespread, the 3 September gubernatorial elections in 12 state legislatures were uneventful. The only legal opposition party boycotted them and all government candidates were elected. The Brazilian military, the regime's power base, is still loyal to the President.

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